

may be taxed in that other State. For the purposes of this paragraph, the term "immovable property" does not include property (other than rental property) in which the business of the company, partnership, trust or estate is carried on; and a substantial interest in the capital stock of a company exists when the resident and persons related thereto own 10 per cent or more of the shares of any class of the capital stock of a company.

5. Where a resident of a Contracting State alienates property in the course of an organization, reorganization, amalgamation, division or similar transaction and profit, gain or income with respect to such alienation is not recognized for the purpose of taxation in that State, if requested to do so by the person who acquires the property, the competent authority of the other Contracting State may agree, subject to terms and conditions satisfactory to such competent authority, to defer the recognition of the profit, gain or income with respect to such property for the purpose of taxation in that other State.

6. Gains from the alienation of any property, other than those mentioned in paragraphs 1 to 4 shall be taxable only in the Contracting State of which the alienator is a resident.

7. In the case of an individual who has been a resident of a Contracting State and who has become a resident of the other Contracting State:

- (a) the provisions of paragraph 6 shall not affect the right of either of the Contracting States to levy, according to its law, a tax on gains from the alienation of any property derived by such individual at any time during the ten years following the date on which the individual has ceased to be a resident of the first-mentioned State;
- (b) where that individual is treated for the purposes of taxation in the first-mentioned State as having alienated a property and is taxed in that State by reason thereof, the individual may elect to be treated for the purposes of taxation in the other State as if the individual had, immediately before becoming a resident of that State, sold and repurchased the property for an amount equal to its fair market value at that time. However, this provision shall not apply to property any gain from which, arising immediately before the individual became a resident of that other State, may be taxed in that other State nor to immovable property situated in a third State.

## ARTICLE 14

### Independent Personal Services

1. Income derived by an individual who is a resident of a Contracting State in respect of professional services or other activities of an independent character shall be taxable only in that State unless the individual has a fixed base regularly available in the other Contracting State for the purpose of performing the activities. If the individual has or had such a fixed base, the income may be taxed in the other State but only so much of it as is attributable to that fixed base.

2. The term "professional services" includes especially independent scientific, literary, artistic, educational or teaching activities as well as the independent activities of physicians, lawyers, engineers, architects, dentists and accountants.